



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 10/18/2007

**GAIN Report Number:** E47094

## EU-27

### Agricultural Situation

## EU Program for Energy Crops Oversubscribed 2007

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**Report Highlights:**

The EU energy crop program has been oversubscribed in 2007. Applications for the 45 Euro/ha energy crop premium have reached 2.84 million hectares this year. The Maximum Guaranteed Area is 2 million hectares. The Commission has decided that farmers will receive the original 45 Euro/ ha for just over 70 percent of the land on which they claimed aid.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Brussels USEU [BE2]  
[E4]

The EU energy crop program has been oversubscribed this year. Applications for the €45/ha premium for growing energy crops amount to almost 2.84 million hectares in the EU27. The Maximum Guaranteed Area (MGA) for this premium is 2 million hectares. If the MGA is breached, a reduction coefficient applies to all applications so that the total premium of €90million/year is not exceeded. A reduction coefficient of 0.70337 has now been set to ensure that the €90 million budget for this program is not overrun. This means that farmers will receive the €45/ha for only 70 percent of the area on which they have claimed aid.

This year is the first time that 10 of the New Member States (NMS) which use Single Area Payment Scheme (SAPS) have been eligible for this scheme. The MGA was therefore increased from 1.5 to 2.0 million hectares. The uptake of the applications for energy crop payment has been very high in the NMS, something that was expected, since there is no other additional premium to the SAPS that these MSs apply.

Commissioner Fischer-Boel said: This payment has been very useful in stimulating the European biofuels sector, but when we come to the Health Check of the Common Agricultural Policy next month we will have to ask whether it is still necessary. We now have a binding target for biofuels and a blossoming marketplace.

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